

own citizens to ward off their own personal storm clouds. I am referring to the provisions in the President's proposed budget that would impose significant tax increases on people who try to save and invest for the future, including people who take out life insurance or buy annuities to protect themselves and their families.

President Clinton's budget calls the existing tax treatment of life insurance and annuities "unwarranted." But the Washington Post has identified the President's proposed changes as an effort to "slam [the] middle class."

Let us put this issue in context. Personal savings rates in our country have been on the decline since 1981, when they stood at 9.4 percent. Some say that was respectable by international standards. By 1992, the savings rate had declined to 6.2 percent, and it has plunged during the Clinton years. As of last November, the personal savings rate stood at 3.8 percent—the lowest since the Great Depression. In other words, people are not setting much aside for their future needs, including retirement.

Add to that the problems we all know are coming in the Social Security system. The experts are telling us that Social Security recipients currently receive, on average, benefits equal to 43 percent of their pre-retirement earnings. But then they point out that only 70 percent of that amount is fully funded for future retirees, which means that unless taxes are raised substantially or additional funding is found, retirees in the future will only get a benefit that amounts to less than 30 percent of their pre-retirement income.

In other words, retirees in the future are likely to experience a significant decline in their standard of living unless they find some way to supplement their Social Security benefits. That means saving and investing more, contributing to an IRA, buying an annuity, or taking out a good life insurance policy. We ought to make it as easy as possible for people to do that.

However, the Clinton budget means to take us in the opposite direction. For example, it would impose new taxes on individuals who substitute one insurance policy for another policy that better meets their needs. We are talking here about new taxes, primarily on households with incomes under \$75,000. Many people in this group work for employers who do not offer, or who have terminated, a retirement plan. So unless they find some other way to protect themselves, they could be out in the cold when they retire.

The proposed budget would make it harder for businesses to protect themselves with business life insurance. It seems to me entirely reasonable that a business would want—and need—insurance to minimize the costs that would result from the death of a key employee. That is particularly true of small businesses, whose size means that so much of its success depends upon a few individuals.

The Clinton budget would overturn so-called Crummey powers, making it harder for moderate income families to even pay death taxes. That alone sets up a major confrontation with many of us in Congress who believe that death taxes ought to be eliminated altogether.

These substantive problems with the Clinton plan come on top of what many of us consider a reneging by the President on last year's budget agreement. Only seven months after entering into that agreement, which provided for very modest tax relief—relief amounting to \$95.3 billion over five years—the President is proposing a net tax increase of \$98.1 billion. In other words, the entire amount of tax relief approved just seven months ago would be reclaimed in one fell swoop.

Not only does that back track on the promise to provide tax relief, but it comes at the same time that the President is proposing to bust the spending limits that were established in last year's agreement. Spending levels would exceed the agreed-upon limits by more than \$37 billion.

Mr. President, the federal government is collecting record amounts of tax revenue, primarily as a result of robust economic growth. We do not need another tax increase, let alone a tax increase that singles out the very tools people need to protect themselves against threats to their personal security. We must reject the unwarranted tax increases proposed in this budget, and instead consider tax policies that will make it easier for people to save and invest. Families need tax relief, not new burdens.●

NATIONAL CHARACTER COUNTS WEEK RESOLUTION

● Mr. DORGAN. Mr. President, I am pleased to again join Senator DOMENICI as an original cosponsor of S. Res. 186, a resolution designating the week of October 18-24, 1998, as "National Character Counts Week." As he does every year, Senator DOMENICI again introduced this resolution on behalf of the bipartisan membership of the Senate Character Counts Group, and I want to thank him for his continuing leadership on this important effort.

For those of you who are not familiar with Character Counts, the national Character Counts Coalition is an alliance of hundreds of groups, communities, and individuals who share a concern about the moral compass of our country. I know a lot of us here in the Senate share this concern about the wrong direction that many of our young people seem to be headed.

Character Counts was born out of a meeting of some of our country's best thinkers and doers about five years ago. Character Counts is an effort that says to all of us, parents, educators, church and youth leaders, community and business leaders, let us constantly by action and example reinforce six basic values, or pillars of character.

These pillars of character are so important and so basic that I do not think anyone could question them. They are: trustworthiness, respect, responsibility, fairness, caring, and citizenship.

I have two young children, so I know firsthand how difficult it is for kids to make the right choices when they are constantly being bombarded by messages from our popular culture about how cool it is to drink alcohol, or smoke, or use vulgar language. By the time they finish elementary school, most kids have seen 8,000 murders on television.

To counteract these messages, it is more important than ever that we instill in our young people the integrity and good character to stand up for what is right. Children are not born with good character. They learn by example, and if they have good role models all around them, I am confident they will make the correct choices for themselves. Perhaps Teddy Roosevelt said it best: "To educate a person in mind and not morals is to educate a menace to society."

We often tell our kids to do what is right, but unfortunately, kids witness adult actions that do not reinforce that message. For example, I have spoken on this floor several times about the case of Juan C., a 15-year-old New York high school student who brought a gun to school in 1992.

The facts of this case stand common sense on its head and send a terrible message to students. In 1992, Juan C. was stopped by a school security guard who saw a bulge resembling the handle of a gun inside Juan's leather jacket. The guard grabbed for the bulge, which was indeed a loaded .45 semiautomatic handgun.

Juan was charged with criminal weapon possession violations. He was also expelled from school for one year, as is consistent with the "zero tolerance" law written by Senator FEINSTEIN and me to prevent guns in our schools.

The family court that heard Juan's criminal case ruled that the security guard did not have reasonable suspicion to search this student. As a result, the court refused to admit the gun as evidence of Juan's court. The New York appellate court then took this decision to ridiculous lengths by applying the same reasoning to the internal school disciplinary action against the student to expel him for a year.

This was a ludicrous decision from a court. It sent a message to students that there will be no consequences for bringing a loaded gun to school, even though that is clearly against school rules and the law. In some cases, like this one, it tells school officials that they ought to look the other way when they know a student is carrying a loaded weapon.

With these kinds of messages, it is no wonder that our children are confused about what is right and wrong. Fortunately, this case was ultimately overturned, and I have also taken the step

of introducing the Safer Schools Act, along with Senators FEINSTEIN, CLELAND, COVERDELL, JOHNSON, and LANDRIEU, to send a clear message to school officials, parents, and students that guns seized from students on school premises can and will be used as evidence in a school disciplinary hearing. I hope the Congress will act on my bill soon so that the confusing messages the courts have been sending on this issue are cleared up.

We all have a role in ensuring that our children are given the ethical tools they need to make difficult choices in today's world. Quite simply, that is what the Character Counts effort is all about.

Before closing, I want to take a few minutes to highlight the Character Counts efforts that have been occurring in North Dakota. Less than two years ago, Character Counts in North Dakota was borne out of a meeting I hosted to bring together parents, educators, young people, and other concerned citizens to introduce them to what the Character Counts program is all about. In the last year, under the vigorous and capable leadership of 4-H youth leader Geri Bosch, Character Counts has blossomed. More than 800 people in North Dakota have participated in Character Counts training so that they could take this program, or a variation of it, back to their communities. Several communities in North Dakota are considering adopting a comprehensive Character Counts program. Service clubs are adopting Character Counts among their projects, and Character Counts was even used as the platform for one of our state's Miss North Dakota candidates last year. Most importantly, the lives of thousands of young people in North Dakota have been influenced for the better directly and indirectly.

I have been proud to play some small role in supporting Character Counts in North Dakota and our nation. It is through these kinds of efforts that we can build a better future for our kids, and I pledge my continued help and support for teaching the pillars of good character.●

THE LIFE OF STANLEY O. McNAUGHTON

● Mr. GORTON. "People need a vision greater than themselves. Without a vision, there is no goal. This vision has to be larger than yourself. It has to dignify you. Then, goals become the navigational stars to guide you in the vision."—Stanley O. McNaughton.

These are the words Stanley O. McNaughton lived by until his sudden death on January 19th.

Stan McNaughton was a man who rose from modest beginnings in a small British Columbia town, who would later become the CEO of PEMCO Financial Services and who would leave behind one of the greatest legacies of goodwill Washington state will ever see.

I could spend an evening recounting Stan's business successes. I could spend even greater time speaking of Stan's dedication to community service, his exceptional character, integrity and the countless personal accolades. Yet the two worlds are intertwined. The man who was once named Seattle-King County First Citizen and Seattle University alumnus of the year relied on the same values to achieve personal and professional success and improve the lives of others.

As Stan used to say, "Our security lies in our values. And from values flow principles."

Stan placed profound importance on family, philanthropy, and leadership.

Stan donated money to causes involving children and education, and often said: "A corporation is the greatest vehicle ever created to do good. Corporations have a responsibility to raise the quality of life in the communities where they do business."

I know I can speak for all of us by saying: Stan McNaughton succeeded in leaving his community a better place.

Tomorrow in Olympia, the extraordinary life of Stan McNaughton will be honored with a Medal of Merit, one of the highest awards that the State of Washington can bestow upon a citizen. To quote from the resolution: "Stanley O. McNaughton exemplified the best characteristics of an employer and community leader by his constant concern and activities for those employed by him and others in the community."

Stan had the amazing ability to see the potential in everyone, inspiring his employees, friends and family to be the best they could possibly be. There are countless "Stan stories": the woman who remembered the time Stan sent her child a birthday card; the man who lost his wallet and Stan offered to reimburse the money; the donations to charities, particularly those that benefited people disadvantaged through no fault of their own; and his special efforts to know every name of the more than 1,000 PEMCO employees.

Of course, there is the definitive "Stan story" of the great lengths he went to for one of his employees, Mark Roberts who had broken his neck and become paralyzed from the neck down. Stan could have sent a card or even a bouquet of flowers, but in true Stan McNaughton fashion, Stan went the extra mile. He assured Mark he would still have a career at PEMCO and went about changing the dynamics of Mark's job. By computerizing much of the workload, Stan made it possible for Mark to succeed and recover from what would have ordinarily been a career ending accident. Stan even went so far as to buy Mark a specialized van, for his professional and personal use.

Stan McNaughton touched the lives of so many different people. His personal philosophy of seeing life as a batting average: "You must give people enough chances at bat" represents the spirit of this great leader and sets an example for all of us to follow.

My heart goes out to his wife Clare of 55 years, his six children, and 10 grandchildren.

Stanley O. McNaughton will be very much missed.●

DAN & WHIT'S

● Mr. LEAHY. Mr. President, if there is one thing that anyone who visits Norwich, Vermont does not forget, it is Dan & Whit's General Store. Dan & Whit's is a Vermont legend, as are its namesakes, Dan Fraser and Whit Hicks, who bought the store back in 1955. Since then it has become the unrivaled nerve center of business, socializing, and political debate for Norwich and the surrounding area. Whit died a while back, Dan has since retired and his wife Eliza, known to all as Bunny, who did the bookkeeping, died not long ago. But the store has not lost any of the Vermont character they gave to it. Fortunately it has stayed in the family. Today it is managed by Dan's sons George and Jack Fraser, with the help of George's wife Susan, Jack's daughter Cheri, George's sons Dan and Matt, and a throng of loyal employees, young and old.

When you first enter Dan & Whit's you think it is just another grocery store. Of course there is a lot more Vermont maple syrup and cheddar cheese. But then you notice winter boots and snowshoes hanging from the ceiling, and boxes of nuts and bolts and nails and screws and every type of hardware. There are pots and pans, outdoor clothing, pens and stationery, guns and "No Hunting" signs. Keep walking and you pass piles of the "New York Times" and the paint mixing machine, and then you realize you have barely scratched the surface. Through a door and around a corner there are aisles that stretch almost as far as you can see, stacked high with snow shovels, horse feed, half a dozen sizes of stove pipe, sheep fence, sewing pipe, sleds, saws and axes, rakes and wheelbarrows, mail boxes, window glass, there's no end to it. You can even bring in your fire extinguishers for recharging, Jack being the Captain of the Norwich Fire Department. Thus the Dan & Whit's motto, "if we don't have it, you don't need it." Vermont author Noel Perrin once wrote, "There may be a better general store in the United States. But I haven't heard of it."

Mr. President, Dan & Whit's General Store is the unbelievable number and variety of things you can buy there, but it is also the extraordinary people who work there. In addition to the Fraser family members, it is people like Larry Smith, Linda Conrad, Al Langlois, Ron Swift, and Perry Wagner, who have been there for years and help make the store the one-of-a-kind place that it is. Dan & Whit's is people like Bill Fitzgerald, who finally retired after more than 30 years. Always in good spirits, always helpful, always finding what you need. And the one time in a million that they don't find